

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
SOUTH ROMEO GAS STORAGE CORPORATION)	
for <i>ex parte</i> approval of market-based rates and)	Case No. U-14801
associated tariff terms and conditions.)	
_____)	

At the April 25, 2006 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chairman
Hon. Laura Chappelle, Commissioner
Hon. Monica Martinez, Commissioner

OPINION AND ORDER

On February 27, 2006, South Romeo Gas Storage Corporation (South Romeo) filed an application for authority to implement market-based rates and associated tariff terms and conditions for the Washington 28 gas storage field. South Romeo maintains that approval of this application will not result in an increase in the cost of service or the current rates it charges their customers.

The Commission finds that South Romeo’s proposed market-based rates and associated tariff terms and conditions in this application and supporting documents are reasonable and should be approved. The Commission also finds that the market-based rates proposed in this case provide customers the option of flexible rates and allow South Romeo to respond to changing market conditions. The rates for storage services will remain competitive with the rates of other Michigan

storage service providers. Because the proposed rates will not increase the cost of service to customers, the Commission finds *ex parte* approval is appropriate.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 300, as amended, MCL 462.2 *et seq.*; 1919 PA 419, as amended, MCL 460.51 *et seq.*; 1939 PA 3, as amended, MCL 460.1 *et seq.*; 1969 PA 306, as amended, 24.201 *et seq.*; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R460.17101 *et seq.*

b. South Romeo's proposed market-based rates and associated tariff terms and conditions are reasonable and should be approved.

c. South Romeo shall file, within 30 days, tariff sheets consistent with those approved in this order and shown in Attachment A.

THEREFORE, IT IS ORDERED that:

A. The rates and related tariff terms and conditions proposed by South Romeo Gas Storage Corporation in this case are approved.

B. South Romeo Gas Storage Corporation is authorized to incorporate in its rate sheets the rates approved in this order.

C. South Romeo Gas Storage Corporation shall file with the Commission, within 30 days, tariff sheets reflecting those rates and services approved and shown in Attachment A.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ J. Peter Lark
Chairman

(S E A L)

/s/ Laura Chappelle
Commissioner

/s/ Monica Martinez
Commissioner

By its action of April 25, 2006.

/s/ Mary Jo Kunkle
Its Executive Secretary

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of April 25, 2006.

Its Executive Secretary

ATTACHMENT A

TITLE PAGE

**STATE OF MICHIGAN
MICHIGAN PUBLIC SERVICE COMMISSION**

SOUTH ROMEO GAS STORAGE COMPANY

TARIFF

**ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN**

EFFECTIVE:

**ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801**

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**SECTION 1
FIRM STORAGE SERVICE
FSS**

- 1.1 At any time during the year, Transporter may determine that it has the ability to offer defined amounts of Firm Storage Service. Upon such determination and subject to Transporter having available capacity and Shipper meeting the eligibility requirements set forth in this Tariff, Transporter shall offer Firm Storage Service to Shippers on a non-discriminatory basis in accordance with this Tariff.
- 1.2 A contract for Firm Storage Service shall be for a term stated in the Service Agreement.
- 1.3 During the term of the Service Agreement, Transporter shall provide a storage service for Shipper with a Maximum Storage Quantity, Maximum Daily Injection Quantity, and Maximum Daily Withdrawal Quantity.
- 1.4 The rate for this Firm Storage Service shall be negotiated between Transporter and Shipper, subject to a rate cap provided in the Statement of Currently Effective Rates contained in this Tariff. Transporter shall assess a Fuel and Gas Lost and Unaccounted For component on quantities nominated for injection and withdrawal as specified on Transporter's Electronic Bulletin Board, except that Fuel and Gas Lost and Unaccounted For shall not be assessed in cases where the injection or withdrawal occurs in a direction that is opposite to the Net System Flow.
- 1.5 Shipper may deliver Gas to Transporter for injection into storage on a firm basis on any Day. Shipper may request that Transporter withdraw Gas from storage on a firm basis on any Day.
- 1.6 Transporter, in its discretion, may allow Shipper to deliver Gas for storage in excess of the MDIQ, and to request withdrawals from storage in excess of the MDWQ. The Shipper may not withdraw Gas in excess of its Storage Account balance.
- 1.7 The MDWQ and MDIQ as stated in the Service Agreement shall be deemed to be reduced in accordance with the ratchets, if any, set forth in the Service Agreement.
- 1.8 Firm Storage Service shall be scheduled prior to interruptible services under this Tariff. All Firm Storage Service offered by Transporter under this Tariff shall have equal scheduling priority.
- 1.9 Transporter shall, on any Day, accept the Scheduled Daily Quantity at the Receipt Point for injection into the Shipper's Storage Account.
- 1.10 Transporter shall, on any Day, deliver the Scheduled Daily Quantity to the Delivery Point following withdrawal from Shipper's Storage Account.
- 1.11 With respect to Gas delivered by Shipper to Transporter at the Receipt Point, Shipper shall be responsible for making all arrangements for, and paying for, the transportation of Gas to the Receipt Point.
- 1.12 With respect to Gas delivered by Transporter to the Shipper at the Delivery Point subsequent to withdrawal from storage, Shipper shall be responsible for making all arrangements for, and paying for, the transportation of Gas from the Delivery Point.

(Continued on Sheet No. 1a)

(Continued from Sheet No. 1)

**SECTION 1
FIRM STORAGE SERVICE
FSS**

- 1.13 If, on any Day, Shipper fails to transport or cause to be transported the Scheduled Daily Quantity away from the Delivery Point, Transporter shall assess the Shipper the Unauthorized Overrun Charge for such quantities. On any such Day, Shipper shall have the right to make a request for a Parking and Loaning arrangement pursuant to Section 3. In such case, Shipper shall propose a specific schedule for remedying the failure to transport or cause Gas to be transported and, upon Transporter's agreement to a schedule, a Confirmed Service Request under Section 3 shall be in effect. If Shipper elects not to make a request, then the quantity not taken away from the Delivery Point shall be sold to Transporter at 50% of the lowest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month Shipper elects not to subscribe to Parking and Loaning Service and the Month immediately thereafter.
- 1.14 If, at the end of Shipper's Service Agreement, Shipper has a positive Storage Account balance, and Shipper does not enter into a new Firm Storage Service Agreement with Transporter or enter into a new or have an existing Interruptible Storage Service Agreement with Transporter, then Transporter shall purchase from Shipper the Gas in Shipper's Storage Account free and clear of any adverse claims at 50% of the lowest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month of termination and the Month immediately following termination. Payment for the remaining quantities shall appear as a credit on the last statement rendered by Transporter to Shipper. To the extent the credit exceeds the total charges in that statement, the difference shall be paid by Transporter to Shipper. If, at the end of Shipper's Service Agreement, Shipper has a positive Storage Account balance, and Shipper does enter into a new Firm Storage Service Agreement with Transporter or does enter into a new or have an existing Interruptible Storage Service Agreement with Transporter, then Transporter shall credit the Gas remaining in Shipper's Storage Account to Shipper's new Storage Account under the successor Firm or Interruptible Storage Service Agreement or the existing Interruptible Storage Service Agreement up to the MSQ.
- 1.15 In-Field Transfers. A Shipper may elect to fill the MSQ, in whole or in part, through an in-field transfer of Gas subject to Section 24.12 of the General Terms and Conditions. Such an election will neither increase nor diminish the MDIQ, MDWQ, or MSQ. The sum of (a) the quantity of Gas currently in the Shipper's Storage Account, (b) Gas nominated and injected into Shipper's Storage Account, and (c) Gas moved into the Shipper's Storage Account through one (1) or more in-field transfers, may not exceed the MSQ.

ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN

EFFECTIVE:

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ORDER DATED
IN CASE NO. U-14801

**SECTION 2
INTERRUPTIBLE STORAGE SERVICE
ISS**

- 2.1 Subject to Transporter having available capacity and Shipper meeting the eligibility requirements set forth in this Tariff, Transporter may offer Interruptible Storage Service to shippers on a non-discriminatory basis in accordance with this Tariff.
- 2.2 During the term of the Service Agreement, Transporter shall provide a storage service for Shipper on an interruptible basis with a Maximum Storage Quantity, Maximum Daily Injection Quantity, and Maximum Daily Withdrawal Quantity.
- 2.3 The rate for Interruptible Storage Service shall be negotiated between Transporter and Shipper, subject to a rate cap provided in the Statement of Currently Effective Rates contained in this Tariff. Transporter shall assess a Fuel and Gas Lost and Unaccounted For component on quantities nominated for injection and withdrawal as specified on Transporter's Electronic Bulletin Board, except that Fuel and Gas Lost and Unaccounted For shall not be assessed in cases where the injection or withdrawal occurs in a direction that is opposite to the Net System Flow.
- 2.4 Transporter, in its discretion, may allow Shipper to deliver Gas for storage in excess of the MDIQ, and to request withdrawals from storage in excess of the MDWQ. The Shipper may not withdraw Gas in excess of its Storage Account balance.
- 2.5 The MDWQ and MDIQ as stated in the Service Agreement shall be deemed to be reduced in accordance with the ratchets, if any, set forth in the Storage Agreement.
- 2.6 For scheduling purposes, Interruptible Storage Service shall be subordinate to Firm Storage Services under this Tariff. Once Interruptible Storage Service is nominated and scheduled for a Day, Transporter may interrupt such service at any time in accordance with Section 11.
- 2.7 Transporter shall, on any Day, accept the Scheduled Daily Quantity at the Receipt Point for injection into the Shipper's Storage Account.
- 2.8 Transporter shall, on any Day, deliver the Scheduled Daily Quantity to the Delivery Point following withdrawal from Shipper's Storage Account.
- 2.9 Shipper shall be responsible for contracting and paying for any necessary transportation service at and upstream of the Receipt Point and at and downstream of the Delivery Point.
- 2.10 If, on any Day, Shipper fails to transport or cause to be transported the Scheduled Daily Quantity away from the Delivery Point, Transporter shall assess the Shipper the Unauthorized Overrun Charge for such quantities. On any such Day, Shipper shall have the right to make a request for a Parking and Loaning arrangement pursuant to Section 3. In such case, Shipper shall propose a specific schedule for remedying the failure to transport or cause Gas to be transported and, upon Transporter's agreement to a schedule, a Confirmed Service Request under Section 3 shall be in effect. If Shipper elects not to make a request, then the quantity not taken away from the Delivery Point shall be sold to Transporter at 50% of the lowest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month Shipper elects not to subscribe to Parking and Loaning Service and the Month immediately thereafter.

(Continued on Sheet No. 2a)

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(Continued from Sheet No. 2)

**SECTION 2
INTERRUPTIBLE STORAGE SERVICE
ISS**

- 2.11 If, at the end of Shipper's Service Agreement, Shipper has a positive Storage Account balance, and Shipper does not enter into a new Interruptible Storage Service Agreement with Transporter or enter into a new or have an existing Firm Storage Service Agreement with Transporter, then Transporter shall purchase from Shipper the Gas in Shipper's Storage Account free and clear of any adverse claims at 50% of the lowest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month of termination and the Month immediately following termination. Payment for the remaining quantities shall appear as a credit on the last statement rendered by Transporter to Shipper. To the extent the credit exceeds the total charges in that statement, the difference shall be paid by Transporter to Shipper. If, at the end of Shipper's Service Agreement, Shipper has a positive Storage Account balance, and Shipper does enter into a new Firm Storage Service Agreement with Transporter or does enter into a new or have an existing Interruptible Storage Service Agreement with Transporter, then Transporter shall credit the Gas remaining in Shipper's Storage Account to Shipper's new Storage Account under the successor Firm or Interruptible Storage Service Agreement or the existing Firm Storage Service Agreement up to the MSQ.
- 2.12 In-Field Transfers. A Shipper may elect to fill the MSQ, in whole or in part, through an in-field transfer of Gas subject to Section 24.12 of the General Terms and Conditions. Such an election will neither increase nor diminish the MDIQ, MDWQ, or MSQ. The sum of (a) the quantity of Gas currently in the Shipper's Storage Account, (b) Gas nominated and injected into Shipper's Storage Account, and (c) Gas moved into the Shipper's Storage Account through one (1) or more in-field transfers, may not exceed the MSQ.

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**SECTION 3
PARKING AND LOANING SERVICE
PALS**

- 3.1 Subject to Transporter having available capacity and Shipper meeting the eligibility requirements set forth in this Tariff, Transporter may offer Parking and Loaning Service to Shippers on a non-discriminatory basis in accordance with this Tariff. Parking and Loaning Service may be provided on an interruptible basis using Transporter's Operational Gas Quantities, subject to curtailment pursuant to Section 11 of this Tariff in order to protect Transporter's ability to provide receipts and deliveries pursuant to Transporter's firm storage services. If excess firm deliverability or capacity exists, PALS may be provided on a firm basis upon Shipper request.
- 3.2 Shipper shall submit a request for Parking and Loaning Service to Transporter, and Transporter shall respond to such request in accordance with Section 5. If Shipper is not a party to a Parking and Loaning Service Agreement, such request shall be treated as a request to enter into a Parking and Loaning Service Agreement. The request shall be in the form specified by this Tariff and shall specify the following information: (a) Day or Days on which Shipper wishes to Park Gas on Transporter's System or return Gas previously loaned to Shipper by Transporter; (b) Day or Days on which Shipper wishes to take delivery from Transporter of Gas being Loaned by Transporter; (c) Delivery Point(s) and Receipt Point(s) for each transaction described in subparts (a) and (b); (d) the quantity of Gas on each Day to be Parked, Loaned, or returned to Transporter as described in subparts (a) and (b); and (e) whether the Shipper elects receive PALS on a firm or interruptible basis.
- 3.3 The rate for this Parking and Loaning Service, whether provided on a firm or interruptible basis, shall negotiated between Transporter and Shipper and subject to a rate cap provided in the Statement of Currently Effective Rates contained in this Tariff.
- 3.4 If the Shipper elects to receive service on a firm basis, Parking and Loaning Service shall, upon Transporter's acceptance of a request for service ("Confirmed Service Request") be scheduled prior to interruptible services under this Tariff. All firm PALS service offered by Transporter under this Tariff shall have equal scheduling priority.
- 3.5 If the Shipper elects to receive service on an interruptible basis, Parking and Loaning Service shall, upon Transporter's acceptance of a request for service ("Confirmed Service Request"), have equal scheduling priority with all Interruptible and Parking and Loaning Services offered by Transporter under this Tariff. Notwithstanding the foregoing, on any Critical Day, Transporter may, by three (3) hours notice, by telephone or facsimile, prior to the nomination deadline stated in Section 6 of this Tariff, decline to schedule the service pursuant to a Confirmed Service Request.
- 3.6 Subject to Transporter's right to decline to schedule Parking and Loaning Service provided on an interruptible basis on a Critical Day and pursuant to a Confirmed Service Request, Shipper shall provide, and Transporter shall accept the firm or interruptible Scheduled Daily Quantity at the Receipt Point for Parking in Shipper's Parking and Loaning Account.
- 3.7 Subject to Transporter's right to decline to schedule Parking and Loaning Service provided on an Interruptible basis on a Critical Day and pursuant to a Confirmed Service Request, Transporter shall deliver, and Shipper shall accept the firm or interruptible Scheduled Daily Quantity at the Delivery Point for Loaning from Shipper's Parking and Loaning Account.
- 3.8 Shipper shall be responsible for contracting and paying for any necessary transportation service at and upstream of the Receipt Point and at and downstream of the Delivery Point.

(Continued on Sheet No. 3a)

(Continued from Sheet No. 3)

**SECTION 3
PARKING AND LOANING SERVICE
PALS**

- 3.9 Shipper may, on a Critical Day, be required to return Loaned quantities or remove Parked quantities upon notification by Transporter. Such notification will be posted on Transporter's EBB. Transporter will not recall from or require withdrawal by any Shipper on any Day of any quantity greater than one-tenth (1/10) of the Shipper's outstanding Park or Loan balance. The Shipper will not be permitted to extend the term of its Park or Loan by reason of this limitation. Transporter's notification shall specify the time frame within which Parked quantities shall be removed and/or Loaned quantities shall be returned, consistent with Transporter's operating conditions, but in no event shall the specified time be sooner than the next Day after Transporter's notification. In the event that the specified time for removal or return of Gas quantities is the next Day, the time frame for required removal or return shall begin from the time that Shipper receives notice from Transporter. At the point in time where Shipper makes a timely and valid nomination in response to notification by Transporter to remove Parked quantities and/or return Loaned quantities, Shipper shall be deemed to have complied with Transporter's notification. Any Parked quantity not nominated for removal within a time frame specified by Transporter's notice shall become the property of Transporter at no cost to Transporter free and clear of any adverse claims. Further, any Loaned quantity not returned within the time frame specified by Transporter's notice shall be sold to Shipper at 150% of the highest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month in which Transporter provides notice to Shipper and the Month immediately thereafter.
- 3.10 If, on any Day, Shipper shall fail to transport or cause to be transported the Scheduled Daily Quantity away from the Delivery Point or to the Receipt Point, Shipper shall be liable for Unauthorized Overrun Charges for such Day.
- 3.11 If, at the end of the Parking and Loaning Service Agreement term or the end of any Confirmed Service Request, Shipper has a positive Parking and Loaning Account balance, such balance shall be forfeited to Transporter, free and clear of any adverse claims. If, at the end of the Parking and Loaning Service Agreement term or the end of any Confirmed Service Request, Shipper has a negative Parking and Loaning Account balance, Shipper shall purchase such balance from transporter at 150% of the highest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month of termination and the Month immediately following termination. Notwithstanding the foregoing, if at the end of the Parking and Loaning Service Agreement term or the end of any Confirmed Service Request, Shipper's positive or negative Parking and Loaning Account Balance is attributable to Transporter's decision not to schedule Gas on a Critical Day pursuant to Section 3.5, then Shipper shall have the right to make an amended service request to schedule deliveries or receipts to eliminate the positive or negative balance over a reasonable period of time. Upon Transporter's agreement to a schedule for the amended request, a Confirmed Service Request under this Section 3 shall be in effect. If Shipper elects not to make such an amended request, then the positive or negative balance shall be forfeited or purchased in accordance with this Section 3.11.

ISSUED
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GENERAL TERMS AND CONDITIONS
SECTION 4
DEFINITIONS

- 4.1 "Authorized Overrun" shall mean a quantity of Gas that is in excess of a Shipper's applicable Maximum Daily Quantity, that Transporter agrees, pursuant to Section 10, to schedule on any Day. Authorized Overrun Quantities will be provided at the rate negotiated between Transporter and Shipper, subject to the rate cap provided in the Statement of Currently Effective Rates contained in this Tariff.
- 4.2 "Btu" or "British thermal unit," shall mean the quantity of heat necessary to raise the temperature of one pound of water one degree Fahrenheit at a specific temperature and pressure (from 59 deg F to 60 deg F at atmospheric pressure of 29.92 inches of mercury).
- 4.3 "Business Day" shall mean Monday through Friday from 8:00 A.M. to 5:00 P.M. Central Clock Time excluding Federal Banking Holidays.
- 4.4 "Central Clock Time" or "CCT" shall mean Central Standard Time ("CST") except when Daylight Savings Time is in effect, when it shall mean one hour in advance of CST. All times referenced in this Tariff shall be in CCT.
- 4.5 "Commission" shall mean the Michigan Public Service Commission or any successor agency.
- 4.6 "Contract Period" shall be as specified in the Service Agreement.
- 4.7 "Critical Day" shall mean a Day declared by Transporter, prior to the Day, whenever one or more of the following five conditions occurs or is anticipated to occur: (1) when Transporter experiences system failure of any type; (2) when system pressures or other unusual conditions jeopardize the operation of Transporter's system; (3) when Transporter's storage resources are being used at or near their maximum rated deliverability; (4) when any of Transporter's upstream transporters or suppliers call the equivalent of a Critical Day; (5) when Transporter is unable to maintain the overall operational integrity of all or a portion of Transporter's System. Transporter shall notify Shippers of the Transporter's declaration of a Critical Day by posting such declaration on the Transporter's EBB.
- 4.8 "Day" or "Gas Day" shall mean a period of twenty-four (24) consecutive hours beginning and ending at 9:00 A.M. CCT. The reference date for any Day shall be the date of the beginning of such Day. "
- 4.9 "Dekatherm" (or "Dth") shall mean the quantity of heat energy which is equivalent to one (1) million (1,000,000) Btu; thus the term MDth shall mean one (1) thousand (1,000) Dth. The conversion factor between Dth and gigajoule, the standard measure of heat energy in Canada, is 1.055056 gigajoules per Dth. The conversion factor between Dth and gigacalorie, the standard measure of heat energy in Mexico, is 0.251996 gigacalories per Dth.
- 4.10 "Delivery Point" shall mean the point or points on Transporter's System where Transporter shall deliver Gas to Shipper.
- 4.11 "Electronic Bulletin Board" or "EBB" shall mean Transporter's electronic communications system, which is available to all nominating agents.
- 4.12 "Fuel and Gas Lost and Unaccounted For" shall mean compressor fuel, unaccounted for Gas and other operating usage, i.e., heating of compressor stations and compressor station blowdowns. Transporter shall post applicable Fuel and Gas Lost and Unaccounted For percentages on Transporter's EBB.
- 4.13 "Gas" or "Natural Gas" shall mean any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting essentially of methane.

(Continued on Sheet No. 4a)

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(Continued from Sheet No. 4)

GENERAL TERMS AND CONDITIONS
SECTION 4
DEFINITIONS

- 4.14 "MPSC" shall mean Michigan Public Service Commission or any successor to that agency.
- 4.15 "Loaning" or "Loan" shall mean the component of a Parking and Loaning transaction under which Transporter delivers Gas nominated by Shipper pursuant to a Confirmed Service Request, as defined in Section 3.
- 4.16 "Maximum Storage Quantity" or "MSQ" shall mean the maximum quantity of Gas that Transporter is obligated to store and that Shipper is entitled to have stored.
- 4.17 "Maximum Daily Injection Quantity" or "MDIQ" shall mean the maximum quantity of Gas that Transporter is obligated to receive from Shipper for injection in a Day.
- 4.18 "Maximum Daily Quantity" or "MDQ" shall mean the maximum quantity of Gas that can be received by Transporter at the Receipt Point or delivered by Transporter at the Delivery Point in a Day.
- 4.19 "Maximum Daily Withdrawal Quantity" or "MDWQ" shall mean the maximum quantity of Gas that Transporter is obligated to withdraw from storage and deliver to the Shipper in a Day.
- 4.20 "MMBtu" shall mean one million Btu.
- 4.21 "Month" shall mean the period beginning at 9:00 A.M. Central Clock Time on the first Day of the calendar Month and ending at 9:00 A.M. Central Clock Time on the first Day of the next succeeding calendar Month.
- 4.22 "Net System Flow" is the difference between total injections and total withdrawals on Transporter's system during a Day. If total injections less total withdrawals is positive, Net System Flow is an injection. If total injections less total withdrawals is negative, Net System Flow is a withdrawal.
- 4.23 "Operational Gas Quantities" shall mean all Gas balances held by Transporter in the Washington 28 Storage Field for the account of shippers and for operational purposes.
- 4.24 "Parking" or "Park" shall mean the component of a Parking and Loaning transaction under which Shipper delivers Gas to Transporter pursuant to a Confirmed Service Request, as defined in Section 3.
- 4.25 "Parking and Loaning" shall mean the Service described in Section 3.
- 4.26 "Parking and Loaning Account" shall mean, for accounting purposes, the account maintained by Transporter into which Shipper nominates Gas for Parking or from which Shipper nominates Gas for Loaning under a Service Agreement for Parking and Loaning Service. The Parking and Loaning Account may have a negative balance.
- 4.27 "Person" shall mean an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.
- 4.28 "Receipt Point" shall mean the designated point or points on Transporter's System where Transporter shall receive Gas from Shipper.
- 4.29 "Scheduled Daily Quantity" shall mean the quantity of Gas nominated by Shipper and confirmed by Transporter for flow in accordance with Section 10.

(Continued on Sheet No. 4b)

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(Continued from Sheet No. 4a)

GENERAL TERMS AND CONDITIONS
SECTION 4
DEFINITIONS

- 4.30 "Service Agreement" shall mean the agreement by and between Transporter and Shipper to enter into Storage or Parking and Loaning transactions pursuant to this Tariff, and such Service Agreement shall be substantially in the form prescribed by this Tariff. Each Service Agreement shall incorporate this Tariff and applicable Commission rules and regulations by reference.
- 4.31 "Shipper" shall mean any eligible party who contracts for any of the services offered by Transporter pursuant to this Tariff.
- 4.32 "Storage" shall mean Transporter's scheduled retention of Shipper's Gas on its System. Storage may be firm or interruptible.
- 4.33 "Storage Account" shall mean, for accounting purposes, the account maintained by Transporter into which Shipper nominates Gas for injection or withdrawal under a Service Agreement for Storage Service. The Storage Account may not have a negative balance.
- 4.34 "Taxes" shall mean any tax (other than ad valorem, unless levied on a transaction under this Tariff, income or excess profits), license, fee or charge not included in the costs of service used to derive the maximum rates under this Tariff and that is levied, assessed, or made by any governmental authority on the Gas itself or on the act, right, or privilege of producing, severing, gathering, storing, transporting, handling, selling, or delivering Gas under this Tariff.
- 4.35 "Transporter" shall mean The South Romeo Gas Storage Company or any successor or permitted assign.
- 4.36 "Transporter's System" or "System" shall mean Transporter's Washington 28 storage field and any other facilities owned and operated by Transporter and subject to regulation by the MPSC.
- 4.37 "Unauthorized Overrun" shall mean a quantity of Gas in excess of Shipper's applicable MDIQ or MDWQ that Transporter does not agree, pursuant to Section 10, to schedule on any Day. Unauthorized Overrun Quantities will be subject to the charge stated in the Statement of Currently Effective Rates contained in this Tariff.

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**SECTION 5
REQUESTS FOR SERVICE**

- 5.1 A Person wishing to subscribe to service pursuant to this Tariff shall submit to Transporter a Request for Service. A Request for Service shall be in the form prescribed by this Tariff and shall be valid if it specifies: (i) the exact legal name of the Person requesting service; (ii) the type of service requested; (iii) the proposed Maximum Storage Quantity, Maximum Daily Withdrawal Quantity, and the Maximum Daily Injection Quantity; (iv) the proposed rate, including whether the rate will be a cost based rate or at a market based rate negotiated between Transporter and Shipper; (v) the proposed term of the Service Agreement; (vi) and other proposed terms and conditions, if any. The proposed cost based rate shall not be above maximum rates nor below the minimum rates contained in this Tariff. The proposed market based rate negotiated between Transporter and Shipper shall not exceed the rate cap contained in this tariff. The proposed terms and conditions shall not materially deviate from those contained in this Tariff.
- 5.2 A Request for Service shall not be valid and Transporter shall not be required to grant such Request for Service if: (i) Transporter determines, based on its evaluation of the Requesting Shipper's creditworthiness in accordance with Section 15, that the Person does not possess sufficient financial stability to make it reasonably likely that the service provided under this Tariff shall be paid for on a timely basis; (ii) the service requested would require the construction, modification, expansion, or acquisition of any facilities; (iii) the service requested would not comply with this Tariff; (iv) for Firm Storage Service requests, Transporter lacks the capacity to perform the requested service; or (v) the service requested is at a rate that is less than the applicable maximum cost based rate stated in this Tariff. Transporter may agree to provide service under this Tariff at less than the applicable maximum rate or at a market based rate negotiated between Transporter and Shipper. For Firm Storage Service for which Transporter is unable to accept, in full, the Request for Service, Transporter shall tender a Service Agreement reflecting the maximum contract quantities that Transporter is able to accommodate. If more than one such Request for Service is received on the same Business Day, then Transporter shall tender Service Agreements with a combination of rates and terms that yield the highest Net Present Value ("NPV") to Persons submitting Requests for Service regardless of whether the service was requested at a cost based rate or at a market based rate negotiated between Transporter and Shipper. The NPV shall be calculated as the discounted cash flow of the expected revenues per Dth for the applicable service using the most recent Bank Prime Loan Rate published by the Federal Reserve Board in its Federal Reserve Statistical Release and available on the date of the Request for Service. If Transporter is unable to accept, in full, Requests for Service in which Persons requesting service have proposed to pay the same NPV, then Transporter shall tender Service Agreements reflecting each Person's pro rata share of the capacity requested on such Business Day.
- 5.3 Transporter shall tender a Service Agreement upon its acceptance of the Person's Request for Service. If Transporter does not accept any Person's Request for Service, it shall advise the Person orally, confirmed in writing, of the non-acceptance and the reason therefor as soon as practicable after Transporter's receipt of the Request for Service. The Request for Service shall be invalid if the Person fails to execute the Service Agreement within ten (10) Days after Transporter tenders the Service Agreement for execution.

SECTION 6
NOMINATIONS

- 6.1 Shipper may designate a third party as agent for purposes of nominating, and for giving and receiving notices related to nominations. Shipper shall provide Transporter with written notice of such designation. Any such designation shall be effective starting the Month following the receipt of the notice and will remain in effect until revoked in writing by Shipper.
- 6.2 All nominations shall be submitted through Transporter's EBB. Specific information to be included in the nomination is posted on Transporter's EBB. Transporter, in its sole discretion, may amend or modify the nominating procedures or system at any time.
- 6.3 Shipper, or its designated agent, shall notify Transporter's Gas Nominations Department of the daily quantity of Gas that Shipper is nominating for delivery to Transporter or for delivery from Transporter on behalf of Shipper. Such nominations shall be submitted by 1:00 p.m. CCT prior to the effective Gas Day. Transporter will normally schedule late nominations as requested except when operational conditions prevent Transporter from doing so. All nominations will be scheduled on a non-discriminatory basis. Shipper, or its designated agent, shall provide Transporter with a nomination for each Gas Day.
- 6.4 If Shipper fails to provide a nomination for any Day, the daily nomination is assumed to be zero.

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**SECTION 7
RATES**

- 7.1 The rate caps for services provided at market based rates negotiated between Transporter and Shipper are approved by the Commission and are provided in the Statement of Currently Effective Rates contained in this Tariff for the type of service provided.
- 7.2 Shippers shall provide Fuel and Gas Lost and Unaccounted For in kind or shall upon agreement between Transporter and Shipper pay Transporter the monetary equivalent of such Fuel and Gas Lost and Unaccounted For based on the MichCon city gate index price and the applicable Fuel and Gas Lost and Unaccounted For percentage as posted on the Transporter's EBB.
- 7.3 Transporter reserves the right to seek authorization from the Commission to increase, decrease, or restructure the rate caps charged under this Tariff, including the Fuel and Gas Lost and Unaccounted For rate, to assure Transporter's right to charge and collect just and reasonable rates under the Commission's applicable rules and regulations. Nothing herein shall be construed to deny any Shipper any rights that it may have under the Commission's rules and regulations to participate fully in rate or certificate proceedings to contest any proposed change in rates charged in this Tariff.
- 7.4 In the event of any unauthorized receipt or delivery of Gas quantities on any Day under this Tariff, Shipper causing such unauthorized use of service shall be charged the applicable charges or penalties incurred by Transporter as a result of Shipper's Unauthorized Overrun. In addition, when Gas is delivered to Transporter as a result of an unauthorized receipt, Transporter shall purchase the Unauthorized Overrun quantities from the Shipper at 50% of the lowest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month in which the unauthorized receipt occurred and the Month immediately thereafter. When Gas is taken from Transporter as a result of an unauthorized delivery, Transporter shall sell the Gas taken from Transporter to the Shipper at 150% of the highest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month in which Gas is taken on an unauthorized basis and the Month immediately thereafter. Shipper shall pay the Unauthorized Overrun Charge for all unauthorized Gas quantities.
- 7.5 Transporter and Shipper shall work to keep the flow of Gas in balance at all times. If at any time the quantities of Gas received by Transporter at the Receipt Points are greater or lesser than Gas delivered at the Delivery Points, Transporter may refuse, increase, or decrease deliveries to correct the imbalances. If upon termination of a Service Agreement between a Shipper and Transporter, Shipper has not received from or delivered to Transporter quantities of Gas that are equal to those the Shipper has taken at the Delivery Point(s), the Shipper must receive or deliver the excess or deficient quantities from or to Transporter within 60 Days of the termination of the Service Agreement at a mutually agreeable rate. If Shipper fails to correct the imbalance within the 60-Day period, Shipper shall pay Transporter the Unauthorized Overrun Charge for all such quantities. In addition, Transporter shall purchase excess quantities from shipper at 50% of the lowest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month the Service Agreement expired and the Month immediately thereafter. Transporter shall sell excess quantities to Shipper at 150% of the highest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month the Service Agreement expired and the Month immediately thereafter.

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SECTION 8
REGULATORY REQUIREMENTS

- 8.1 Any and all service transactions under this Tariff must be intrastate service and shall be fully subject to the Commission's rules and regulations as they may be revised from time to time. Shipper's Request for Service shall constitute its warranty that Shipper satisfies all applicable regulatory requirements, and Transporter shall have the right to request information from Shipper to verify its eligibility.

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SECTION 9
RECEIPT POINTS AND DELIVERY POINTS

- 9.1 The existing Receipt Point and Delivery Point for all Gas tendered to Transporter for injection into and tendered to Shipper following withdrawal from the Washington 28 Storage Field shall be at the interconnection between Transporter's 0.58 miles, 12-inch transmission line and Michigan Consolidated Gas Company's 36-inch Milford-Belle River Mills Pipeline. Receipt and Delivery Points will be stated in the Service Agreement.

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**SECTION 10
SCHEDULING**

- 10.1 Transporter shall schedule all storage quantities as nominated by Shippers in accordance with the available capacity and consistent with the following priorities:
- (a) Firm Storage Injection and Withdrawal quantities, or Firm Park or Loan quantities, pursuant to firm services offered by Transporter at Receipt and Delivery Points, pro rata based on each Shipper's contracted capacity;
 - (b) Interruptible injections and withdrawals pursuant to interruptible services offered by Transporter, including Interruptible Storage Service, Parking and Loaning Service, and Authorized Overrun Service, by price from highest to lowest, except scheduling shall be pro rata based on nominated quantities among Shippers paying the same rate.

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**SECTION 11
CURTAILMENT**

- 11.1 Transporter shall have the right to not schedule part or all of a requested service, and/or curtail or to discontinue services, in whole or in part, on all or a portion of its System at any time for reasons of force majeure or when, in Transporter's sole discretion, capacity or operating conditions so require. Transporter shall provide Shipper such notice of such curtailment as is reasonable under the circumstances. Routine repair and maintenance is not deemed an emergency situation or an unexpected loss of capacity and will be scheduled by Transporter in a manner to avoid, wherever possible, the disruption of confirmed service, provided, however, if such maintenance prevents Transporter from scheduling nominated service, such maintenance shall excuse Transporter from scheduling such service.
- 11.2 If due to any cause whatsoever Transporter is unable to deliver the quantities of Gas which Shipper has nominated and which Shipper would have received if such disability did not exist, then Transporter shall order curtailment by all Shippers affected in the following manner to the extent necessary to remove the effect of the disability. In effecting a curtailment, Transporter may, at its discretion, allow lower priority Gas to remain flowing in any instance where that would result in a lesser impact on the curtailment of higher priority Gas than would otherwise occur. In all other instances, curtailment shall be:
- (a) Interruptible services, including storage, Parking and Loaning, and Authorized Overrun Service, to be curtailed by price from lowest to highest, except curtailment will be pro rata on nominated quantities among Shippers paying the same rate, and recognizing that Shippers paying the maximum rate will be curtailed last;
 - (b) Under all remaining firm services, Transporter shall curtail on a pro rata basis based on nominated quantities among all Shippers receiving this service.
- 11.3 If the need for curtailment is caused by an event affecting only a specific Receipt/Delivery Point, curtailment will be (i) limited to Shippers nominating at such Receipt/Delivery Point; and (ii) applied to those Shippers in accordance with the priorities set forth in Section 11.2 above.

**SECTION 12
PRESSURES**

- 12.1 All Gas delivered to Transporter shall be delivered at a pressure that is not less than 600 psig and not more than 1,000 psig. Gas withdrawn by Transporter shall be delivered at a pressure that is not greater than 1,000 psig, unless operating conditions warrant a lower pressure.

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SECTION 13
QUALITY OF GAS

- 13.1 Gas received for injection into storage and delivered following withdrawal from storage shall be merchantable Gas at all times complying with the quality requirements set forth in subsections 13.2 and 13.3.
- 13.2 The Gas shall have a gross heating value per cubic foot of not less than 950 Btu nor more than 1,100 Btu.
- 13.3 The Gas shall:
- (a) Be commercially free from sand, dust, gum, crude oil, impurities, and other objectionable substances that may be injurious to Transporter's facilities or which may interfere with its transmission and storage and its commercial utilization.
 - (b) Not have a hydrocarbon dew point exceeding fifteen (15) degrees Fahrenheit at pressures of up to eight hundred (800) psig.
 - (c) Not contain more than one-quarter (1/4) grain of hydrogen sulfide per one hundred (100) standard cubic feet.
 - (d) Not contain more than twenty (20) grains of total sulphur per one hundred (100) standard cubic feet.
 - (e) Not contain more than two percent (2%) by volume of carbon dioxide.
 - (f) Not contain more than four (4) pounds of water vapor per one million (1,000,000) standard cubic feet.
 - (g) Not exceed one hundred ten (110) degrees Fahrenheit in temperature at the point of measurement.
 - (h) Be as free of oxygen as it can be kept through the exercise of all reasonable precautions, and shall not in any event contain more than four-tenths (0.4%) by volume of oxygen.

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SECTION 14
BILLING AND PAYMENT

- 14.1 On or before the tenth (10th) Day of each Month, Transporter shall render (for purposes of this Section 14.1, "render" shall mean either (a) postmarked or (b) time-stamped and transmitted electronically to the designated site, whichever is applicable) to Shipper a statement of the amount due for the preceding Month under the applicable Rate Schedule(s). When information necessary for billing purposes is in the control of Shipper, Shipper shall furnish such information to Transporter on or before the third (3rd) Day of the Month. Both Transporter and Shipper have the right to examine at reasonable times upon prior notice and at its own expense, books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions hereof.
- 14.2 Shipper shall pay Transporter the amount due for the preceding Month within 10 Days of receiving the statement from the Transporter.
- 14.3 Payments by Shipper to Transporter shall be made in the form of wire transfer in immediately available funds directed to a bank account designated by Transporter's Controller, unless otherwise agreed. If payment differs from the invoiced amount, remittance detail should be provided with the payment within two Business Days of the payment due date. Interest on the unpaid portion of the bill shall accrue at a monthly rate of two percent on the unpaid balance, from the due date until the date of payment. If such failure to pay continues for thirty (30) Days after payment is due, Transporter, in addition to any other remedy it may have hereunder, may suspend further receipt and delivery of Gas until such amount is paid.
- 14.4 If Shipper in good faith disputes the amount of any such bill or part thereof and pays to Transporter such amounts, if any, as it concedes to be correct and, at any time thereafter within thirty (30) Days of a demand made by Transporter, furnishes a good and sufficient surety bond in an amount and with surety satisfactory to Transporter or other assurance acceptable to Transporter, guaranteeing payment to Transporter of the unpaid amount, then Transporter shall not be entitled to suspend further delivery of such Gas unless and until default be made in the conditions of such bond.
- 14.5 In the event an error is discovered in the amount billed in any statement rendered by Transporter, such error shall be adjusted within thirty (30) Days of the determination thereof, provided that claim therefore shall have been made within thirty (30) Days from the date of discovery of such error, but in any event within six (6) Months from the date of such statement, provided, however, that the party harmed by the adjustment shall have up to three (3) Months to dispute such adjustment. The timing of billing claims and adjustments referenced in the previous sentence shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not be diminished by this standard. If parties are unable to agree on the adjustment of any claimed error, any resort by either of the parties to legal proceedings shall be commenced within fifteen (15) Months after the supposed cause of action is alleged to have arisen, or shall thereafter be forever barred.
- 14.6 All invoices and payments, other than those related to Taxes, shall be final unless questioned within twelve (12) Months from the date of such invoice or payment. Any error discovered as a result of a timely claim shall be adjusted within thirty (30) Days of the determination of such error as stated in Section 14.4 of this Tariff.
- 14.7 Shipper shall reimburse Transporter for all Taxes that may be levied upon and/or paid by Transporter with respect to the service performed under this Tariff. Shipper shall be responsible for establishing any exemption from Taxes and shall provide satisfactory evidence of such exemption to Transporter.
- 14.8 Shipper shall reimburse Transporter for any and all filing fees or related charges incurred by Transporter for the filing of any report or reports with any governmental agency or other body, including the Commission, with respect to the nature and timing of any service specifically provided to the Shipper.

**SECTION 15
CREDITWORTHINESS**

- 15.1 Prior to execution of a Service Agreement, providing for service under any Rate Schedule, a Shipper shall be required to establish creditworthiness with Transporter. Transporter shall not be required to: (i) execute a Service Agreement providing for service under the applicable Rate Schedule on behalf of any Shipper who fails to meet Transporter's standards for creditworthiness; or (ii) initiate service to a Shipper who fails to meet Transporter's standards for creditworthiness; or (iii) continue transportation service on behalf of any Shipper who is or has become insolvent or who, at Transporter's request, fails within a reasonable period to demonstrate creditworthiness.
- 15.2 For purposes herein, the determination of Shipper's creditworthiness shall be based upon the level of service requested by Shipper and Shipper's estimated financial strength as defined by a credit rating of investment grade, defined as a rating of at least "BBB-" by Standard & Poor's Rating Group (Standard & Poor's), a rating of at least "Baa3" by Moody's Investors Service, Inc. (Moody's), a rating of at least "BBB-" by Fitch Ratings (Fitch), or for Canadian Shippers not rated by Standard & Poor's, Fitch, or Moody's, a rating of at least "BBB(low)", by Dominion Bond Rating Service (Dominion) (or their successors). Transporter will consider an investment grade credit rating provided by an alternative, nationally recognized credit rating agency acceptable to Transporter. To the extent Shipper is rated by multiple agencies, the lower rating applies. If Shipper is not rated by Standard & Poor's, Moody's, Fitch, or Dominion, or an alternative, nationally recognized credit rating agency acceptable to Transporter, a determination of a Shipper's creditworthiness shall be based upon (at the Shipper's election) (i) the credit rating assigned to the Shipper's parent company (if the parent company is creditworthy it must provide a written guarantee in a form satisfactory to Transporter), or (ii) a credit rating, as evaluated by Transporter, based upon the level of service requested by Shipper and financial analysis criteria and ratios which are generally acceptable in the natural Gas industry.
- 15.3 If Transporter determines that Shipper does not have an acceptable rating as set forth above, Shipper may, at its own expense, obtain a private rating from Standard & Poor's, Moody's, Fitch, or Dominion, or an alternative, nationally recognized credit rating agency acceptable to Transporter, or, as an alternative, request that an independent certified public accountant, mutually acceptable to Shipper and Transporter, prepare an equivalent evaluation based on the financial analysis criteria and ratios which are generally acceptable in the natural Gas industry. If Transporter deems a Shipper non-creditworthy pursuant to its own evaluation, Transporter will provide the Shipper written notice of the reasons it has been deemed non-creditworthy. In addition, to establish creditworthiness, Shipper must confirm in writing that Shipper is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement.
- 15.4 An exception can be made for a Shipper that is a debtor in possession operating under Chapter 11 of the Federal Bankruptcy Act, but only with adequate assurance satisfactory to Transporter that the billing will be paid promptly as a cost of administration under the Federal Court's jurisdiction. Transporter's creditworthiness provisions shall not supersede applicable bankruptcy laws.

(Continued on Sheet No. 15a)

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**SECTION 15
CREDITWORTHINESS**

15.5 If a Shipper otherwise fails to establish or maintain creditworthiness as provided herein, Shipper may still receive service under the applicable Rate Schedule provided it furnishes and maintains for the term of:

(a) Any firm Service Agreement:

- (i) A written guarantee in a form satisfactory to Transporter from a third party which is creditworthy as determined above;
- (ii) An irrevocable standby letter of credit in an amount not to exceed 3 Months of reservation charges under the contract;
- (iii) A pre-payment in the amount not to exceed a rolling 3 Months of reservation charges under the contract; or
- (iv) Other security acceptable to Transporter.

In the event Transporter constructs new facilities to accommodate a Shipper, Transporter may require Security in an amount up to the cost of the facilities; or

(b) Any interruptible Service Agreement:

- (i) A written guarantee in a form satisfactory to Transporter from a third party which is creditworthy as determined above;
- (ii) An irrevocable standby letter of credit in an amount not to exceed 3 Months of estimated service charges, including the value of Gas related to Gas loaned under PALS schedules;
- (iii) A pre-payment in an amount not to exceed 3 Months of estimated service charges, including the value of Gas related to Gas loaned under Transporter's PALS rate schedules; or
- (iv) Other security acceptable to Transporter.

Security, as set forth in (a) and (b) above, is hereinafter referred to as "Security."

For purposes of pre-payments under either (a) (iii) or (b) (iii) above, Shipper may deposit its prepayment funds into an interest-bearing escrow account established by the Shipper granting Transporter access to the account for payment of the services provided.

15.6 For purposes of "Security" under this Section 15, the value of Gas shall be based on the average MichCon City Gate Midpoint price as published in Gas Daily or an acceptable successor publication for the term of the loan. If a Shipper becomes non-creditworthy after the withdrawal but prior to the injection, Transporter will use the MichCon City Gate price for the injection period for the purpose of establishing the value of the loaned Gas. In addition, the value of Gas that may be included in Security shall be limited to: (i) the outstanding value of any Gas loaned to a Shipper, and/or (ii) the value of the Gas to be loaned for the upcoming Month. This means that the Shipper shall provide such Security to Transporter for the value of Gas that has already been loaned and/or one Month's value of Gas to be loaned, prior to each withdrawal Month.

(Continued on Sheet No. 15b)

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**SECTION 15
CREDITWORTHINESS**

- 15.7 To permit Transporter to conduct a creditworthiness review, a Shipper shall, upon request by Transporter, render to Transporter: (i) a completed credit application, and (ii) complete financial statements prepared in accordance with generally accepted accounting principles or, for non - U.S.- based Shippers, prepared in accordance with equivalent principles. Upon requesting transportation service, a Shipper must submit to Transporter a completed credit application unless it has previously submitted such to Transporter within the last twelve (12) Months. If a Shipper elects to provide an irrevocable standby letter of credit or pre-payment, the completed credit application and financial statement requirement is waived by Transporter.
- 15.8 Transporter shall have the right to review a Shipper's creditworthiness on an ongoing basis and Shipper shall provide, upon Transporter's request, updated financial statements periodically in order to determine the continuing creditworthiness of a Shipper. Shipper shall have at least 3 Business Days to respond to Transporter's request for financial statements. Upon review of the Shipper's financial statements, Transporter shall determine if the Shipper is creditworthy. If the Shipper is determined to be non-creditworthy, Transporter may require Security as set forth herein. Shipper shall have at least 5 Business Days from Transporter's written request to pay Transporter for one Month of service in advance. Shipper shall have at least 30 Days to provide the next three (3) Months of Security to continue service. If the Shipper fails to provide the required Security within these time periods, Transporter may suspend service immediately. In addition, Transporter will provide at least 30 Days written notice to Shipper and the Commission that it will terminate service if the Shipper fails to provide the required Security.
- 15.9 Shipper shall have the right to request that its credit status be reevaluated by Transporter at any time. If the Security requirements are terminated, and the Shipper previously had provided Transporter a pre-payment, the Shipper may elect either a refund or an invoice credit of its prepayment.
- 15.10 Transporter may determine that a Shipper is no longer creditworthy if, in the reasonable opinion of Transporter, a Shipper (or its guarantor) suffers a material adverse change in its financial condition such that Shipper's ability to perform its obligations to Transporter is materially impaired. If Shipper is no longer creditworthy, Transporter may require financial statements and, when applicable, Security as set forth herein. Shipper shall have the right to demonstrate that the material adverse change has been remedied and request that Transporter reevaluate the Shipper's creditworthiness to determine whether the Security requirements can be terminated.
- 15.11 If Shipper is unable to maintain creditworthiness and has not provided Security, any executed Service Agreement(s) may be terminated or suspended.

**SECTION 16
FORCE MAJEURE**

- 16.1 Neither Shipper nor Transporter shall be liable in damages to the other for any act, omission or circumstances occasioned by or in consequence of an event of force majeure.
- 16.2 As used in herein, the term "force majeure" shall mean acts of God, strikes, lockouts or other industrial disturbances, explosions, acts of a public enemy, wars, blockages, insurrections, riots, epidemics, temporary failure of Gas supply, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, unscheduled shutdowns (for purposes of necessary maintenance, repairs, alterations, relocation or construction of wells, machinery, lines of pipe or other facilities), breakage or accident to wells, machinery or lines of pipe, testing (as required by governmental authority or as deemed necessary by Transporter for the safe operation of the storage field and related facilities), inability to obtain necessary material or supplies or permits or land rights, failure of wells, surface equipment or pipelines, well or line freeze ups or any other cause, whether of the kind herein enumerated, or otherwise, not reasonably in the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. A failure to settle or prevent any strike or other industrial disturbance shall not be considered to be a matter within the control of the party claiming force majeure.
- 16.3 Such causes or contingencies affecting performance by either Transporter or Shipper, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate and commercially practical manner and with all reasonable dispatch; nor shall such causes or contingencies affecting the performance relieve either Transporter or Shipper from its obligation to make payment of amounts then due, nor shall such causes or contingencies relieve either Transporter or Shipper of liability unless such party shall give notice and full particulars of the same in writing or by facsimile transmission to the other party as soon as possible after the occurrence relied on.

ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN

EFFECTIVE:

ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801

**SECTION 17
WARRANTY**

- 17.1 Transporter and Shipper warrant that at the time of delivery it will have the right to deliver the Gas received and delivered hereunder, free and clear of all liens, encumbrances and claims whatsoever, and that it will indemnify the other party and hold it harmless from suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of valid adverse claims of any and all persons to said Gas or royalties, taxes, license fees or charges thereon.

**ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN**

EFFECTIVE:

**ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801**

SECTION 18
POSSESSION AND LIABILITY

- 18.1 As between Transporter and Shipper, Shipper shall be deemed in exclusive control and possession of the Gas stored on its behalf, and responsible for any damages or injuries caused thereby, until such Gas is received by Transporter at the Receipt Point and after it is delivered by Transporter at the Delivery Point. Transporter shall be deemed in exclusive control and possession of said Gas, and responsible for any damages or injuries caused thereby, after it is delivered by Shipper at the Receipt Point and before it is delivered by Transporter at the Delivery Point.
- 18.2 Except as provided in Sections 1.13, 1.14, 2.10, 2.11, 3.9, 3.11, 7.4, and 7.5 of the Tariff hereto, title to the Gas stored shall not transfer to Transporter when it takes possession of the Gas, or at any other time, unless the parties specifically agree otherwise. However, this shall not restrict Transporter from entering into operating arrangements that allow for the movement of Gas via exchange or displacement.

ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN

EFFECTIVE:

ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801

**SECTION 19
COMMUNICATIONS**

- 19.1 Unless otherwise provided herein, all communications between Transporter and Shipper shall be sent by registered mail, overnight courier or facsimile transmission, and shall be effective upon receipt thereof. However, routine communications, including Monthly statements, shall be considered as duly delivered when mailed by either registered or ordinary mail or sent by overnight courier or facsimile transmission. Communications sent by ordinary mail shall be considered received seven Days after deposit in the mail. All communications should be addressed to:

South Romeo Gas Storage Company
2000 2nd Avenue, 2005 WCB
Detroit, MI 48226
Attention: President
DTE Gas Storage Company

ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN

EFFECTIVE:

ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801

**SECTION 20
TRANSFER AND ASSIGNMENT**

- 20.1 The Service Agreement(s) shall be binding upon and inure to the benefit of the parties thereto and their respective successors and assigns. However, Service Agreements shall not be transferred or assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that Transporter shall have the right to assign such Service Agreement, in whole or in part, to an affiliated or subsidiary corporation, partnership, or limited liability company of its parent or related corporation, partnership, or limited liability company without the consent of the Shipper. Shipper shall have the right to assign its Service Agreement in its entirety to an affiliated subsidiary corporation, partnership, or limited liability company of its parent or related corporation, partnership, or limited liability company without the consent of the Transporter, but, unless otherwise agreed to in writing, all liability and responsibility for performance hereunder shall remain with the Shipper. Provided further, Transporter may reasonably withhold consent if the proposed assignee does not satisfy the applicable creditworthiness requirements, which, with respect to Shipper's assignee, including an affiliated assignee, are set forth in Section 15 of this Tariff.

**ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN**

EFFECTIVE:

**ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801**

SECTION 21
LAWS AND REGULATIONS

- 21.1 The Service Agreement(s) shall be subject to all valid existing and future law, orders, rules, regulations or proclamations of duly constituted authorities having jurisdiction or control over the parties thereto or the subject matter thereof, including all applicable Commission regulations. If any such governmental authority shall take any action that is, with respect to or as a result of the Service Agreement, designed to subject or otherwise subjects either party or any of its pipeline or related facilities to any greater or different regulation or jurisdiction than that existing on the date of the Service Agreement (or thereafter as such regulation or jurisdiction may have changed and been accepted), then upon written notice to the other, the party so affected may cancel and terminate such Service Agreement effective one Day prior to the effective date of such governmental action without further obligation to the other party, except, in the case of either Transporter or Shipper, to correct any Gas imbalance existing on the date of such termination.

ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN

EFFECTIVE:

ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801

SECTION 22
ACQUIRED CAPACITY

- 22.1 Transporter may from time to time enter into agreements with off-system entities (Acquired Capacity). Transporter may use Acquired Capacity for its system operational needs and to render service to its customers. Except as provided in Section 22.2, Transporter states that, if it stores Gas for others using Acquired Capacity, such services will be provided pursuant to the same rates and operating conditions that are applicable to on-system customers as such rates and operating conditions may change from time to time.
- 22.2 Nothing herein shall be read to preclude Transporter from filing with the Commission for different operating conditions applicable to any service which Transporter provides using Acquired Capacity.

ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN

EFFECTIVE:

ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801

SECTION 23
FUEL AND GAS LOST AND UNACCOUNTED FOR

- 23.1 Shipper shall provide Fuel and Gas Lost and Unaccounted For that shall be retained by Transporter. The quantity of Gas retained by Transporter shall be a percentage of the total quantity of Gas injected into and withdrawn from the Shipper's Storage Account. The applicable percentages shall be calculated by:
- (a) Determining the total forecast quantity of the Fuel and Gas Lost and Unaccounted For needed for the upcoming Season by adding the difference between actual Gas used for fuel, system operation, and losses and the actual Gas retained for system Gas use and losses for prior Season to the forecast requirement of Gas for fuel, system use and losses for the upcoming Season;
 - (b) Dividing the total forecast quantity of Fuel and Gas Lost and Unaccounted For required for Storage Service by the total forecast quantity of Gas to be injected and withdrawn on the system during the upcoming Season.
 - (c) Season shall refer to either the Injection Season or the Withdrawal Season. The Injection Season is typically April through October, but will be determined by Transporter each year. The Withdrawal Season is typically November through March, but will be determined by Transporter each year.
- 23.2 The Fuel Use and Gas Lost and Unaccounted For percentages will be posted by Transporter on its EBB at least seven (7) days prior to the applicable Winter or Summer Season.
- 23.3 Fuel and Gas Lost and Unaccounted for shall be calculated for each Shipper by multiplying the quantity of Gas injected into and withdrawn from Shipper's Storage Account by the applicable percentage determined in Section 23.1.
- 23.4 Transporter will file an annual report with the Commission, within ninety (90) days of the Withdrawal Season, that supports the fuel ratios used during the calendar year just completed.

**SECTION 24
MISCELLANEOUS**

- 24.1 Transporter, in its sole discretion, shall have the right at any time to amend or modify any and all of the provisions to this Tariff and the General Terms and Conditions thereto without liability to or consent from any Shipper.
- 24.2 No Shipper shall be considered or deemed by interpretation of this Tariff or any Service Agreement to have any rights in, to, or through Transporter's system or facilities.
- 24.3 Transporter shall have the right to waive any one or more specific defaults by any Shipper of any provision of the Service Agreement; provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character. Any waiver shall be granted or denied in a non-discriminatory manner.
- 24.4 This Tariff and Service Agreement shall be governed by the laws of the state of Michigan without regard to principles of conflicts of laws. The forum of any litigation shall be in a state or Federal court located in Detroit, Michigan.
- 24.5 The Service Agreement contains the entire agreement between the parties, and except as stated in the Service Agreement, there are no promises, agreements, warranties, obligations, assurances, or conditions precedent or otherwise affecting it.
- 24.6 Any change, modification, or alteration of a Service Agreement shall be in writing, signed by the parties to the Service Agreement, and no course of dealing or course of performance between the parties shall be construed to alter the terms of the Service Agreement, except as stated in the Service Agreement.
- 24.7 The captions and headings in this Tariff and in the Service Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of the Tariff or the Service Agreement.
- 24.8 Transporter and Shipper agree that there is no third party beneficiary of any Service Agreement and that the provisions of a Service Agreement do not impart enforceable rights to anyone who is not a party.
- 24.9 The terms of any Service Agreement shall be kept confidential by the parties, except for any required disclosure to a regulatory body, governmental entity or agency having jurisdiction. In case of such disclosure, the disclosing party shall attempt to obtain an appropriate protective order or enter into an appropriate protective agreement. In addition, Shipper may disclose the terms of the Service Agreement to any Person that is providing credit support to the Shipper.
- 24.10 IN NO EVENT SHALL TRANSPORTER OR SHIPPER BE HELD LIABLE TO THE OTHER FOR CONSEQUENTIAL, INDIRECT, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES ARISING OUT OF SERVICE PROVIDED UNDER THIS TARIFF.**
- 24.11 Transporter reserves the right at any time to assign or otherwise delegate to any independent third party or a duly authorized agent any or all of the administrative duties associated with the services provided pursuant to this Tariff. No such delegation shall relieve Transporter of its obligations to Shipper.
- 24.12 Transporter or any Shipper receiving storage service from Transporter shall be entitled to transfer, in-field, any of its storage Gas to another Shipper or to Transporter pursuant to a valid request for an in-field transfer. Transporter may restrict such transfers when the transfer would result in an increase in Transporter's service obligations, and such increase would in Transporter's reasonable judgment impair Transporter's ability to meet all of its other service obligations of equal or higher priority.

ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN

EFFECTIVE:

ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801

**SECTION 25
SOUTH ROMEO GAS STORAGE COMPANY
STATEMENT OF CURRENTLY EFFECTIVE RATES**

	Maximum Rate Per Dth	Minimum Rate Per Dth
Firm Storage Service FSS Price Caps		
Deliverability	\$5.0000	\$0.0000
Capacity	\$0.0833	\$0.0000
Injection	\$0.0000	\$0.0000
Withdrawal	\$0.0000	\$0.0000
Interruptible Storage Service ISS Price Caps		
Usage Rate	\$1.6000	\$0.0000
Authorized Overrun Service Price Caps		
Usage Rate	\$1.6000	\$0.0000
Parking and Loaning Service PALS Price Caps		
Usage Rate	\$1.6000	\$0.0000
Unauthorized Overrun Charge	\$25.0000	\$25.0000

ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN

EFFECTIVE:

ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801

(Continued from Sheet No. 26)

**SECTION 26
STORAGE SERVICE REQUEST FORM**

6. Requested Rate:

Firm Service:

\$ _____/Dth Deliverability Rate.

\$ _____/Dth Capacity Rate.

\$ _____/Dth Injection Rate.

\$ _____/Dth Withdrawal Rate.

\$ _____/Dth Authorized Overrun Service Usage Rate.

Interruptible Service:

\$ _____/Dth Usage Rate.

\$ _____/Dth Injection Rate.

\$ _____/Dth Withdrawal Rate.

7. Requested Term of Service: _____

8. Receipt and Delivery Points

Point Name

MDQ

Delivery Point(s): _____

Receipt Point(s): _____

9. Other Terms and Conditions (Please Specify): _____

(Continued on Sheet No. 26b)

**ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN**

EFFECTIVE:

**ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801**

(Continued from Sheet No. 26a)

**SECTION 26
STORAGE SERVICE REQUEST FORM**

If Transporter accepts this request in whole or in part, it shall tender a Service Agreement to Shipper. The Request for Service shall be invalid if the Shipper fails to execute the Service Agreement within ten (10) Days after Transporter tenders the Service Agreement for execution.

SOUTH ROMEO GAS STORAGE COMPANY

By: _____

Name: _____

Title: _____

Date: _____

Date received by Transporter: _____

ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN

EFFECTIVE:
ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801

**SECTION 27
PARKING AND LOANING SERVICE REQUEST FORM**

This Request for Service is made pursuant to South Romeo Gas Storage Company's ("Transporter's") General Terms and Conditions of its Tariff.

1. Shipper (exact legal name): _____

2. Days on which Shipper requests to Park Gas on Transporter's system or return Gas previously Loaned to Shipper by Transporter, quantity of Gas applicable to each Day, and Receipt Point(s) or Delivery Point(s), as applicable:

Day	Quantity	Receipt (R) or Delivery (D) Point(s)
_____	_____	_____

3. Days on which Shipper requests to take delivery from Transporter Gas previously Parked by Shipper or take delivery of Gas being Loaned by Transporter, quantity of Gas applicable to each Day and Receipt Point(s) or Delivery Point(s), as applicable

Day	Quantity	Receipt (R) or Delivery (D) Point(s)
_____	_____	_____

4. Service Requested: _____ Firm _____ Interruptible

5. Requested Rate:
 \$ _____/Dth Usage Rate.
 \$ _____/Dth Injection Rate.
 \$ _____/Dth Withdrawal Rate.

6. Other Terms and Conditions (Please Specify): _____

If Transporter accepts this request in whole or in part, it shall tender a Service Agreement to Shipper. The Request for Service shall be invalid if the Shipper fails to execute the Service Agreement within ten (10) Days after Transporter tenders the Service Agreement for execution.

SOUTH ROMEO GAS STORAGE COMPANY

By: _____

Name: _____

Title: _____

Date: _____

Date received by Transporter: _____

**ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN**

**EFFECTIVE:

ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801**

SECTION 28
STORAGE IN-FIELD TRANSFER REQUEST FORM

Relinquishing Party

Company Name: _____
Address: _____
Phone: _____
Fax: _____
Storage Contract No: _____
Transfer Quantity: _____ Dth
Requested Transfer Date: _____
Requested By: _____
Signature: _____
Date: _____
Title: _____

Acquiring Party

Company Name: _____
Address: _____
Phone: _____
Fax: _____
Storage Contract No: _____
Transfer Quantity: _____ Dth
Requested Transfer Date: _____
Requested By: _____
Signature: _____
Date: _____
Title: _____

(Continued on Sheet No. 28a)

(Continued from Sheet No. 28)

SECTION 28
STORAGE IN-FIELD TRANSFER SERVICE REQUEST FORM

SOUTH ROMEO GAS STORAGE COMPANY

ACCEPTED

REJECTED

Reason(s) For Rejection:

By: _____

Signature: _____

Title: _____

Date: _____

ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN

EFFECTIVE:

ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801

**SECTION 35
FORM OF FIRM GAS STORAGE SERVICE AGREEMENT**

This Firm Gas Storage Agreement ("Agreement") is made and entered into as of the ____ day of _____, _____, by and between South Romeo Gas Storage Company, a Michigan company ("Transporter"), and _____ ("Shipper").

INTRODUCTION

The parties agree that Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective Tariff and the General Terms and Conditions ("GT&C") contained therein on file with the Michigan Public Service Commission ("Commission"), as they may be amended or superseded from time to time in accordance with the Commission's rules and regulations.

ARTICLE I: RATES

The rate to be paid by Shipper to Transporter for the firm storage service provided hereunder shall consist of a rate negotiated between Transporter and Shipper and specified in Exhibit I below, and a fuel component as posted on Transporter's EBB. The negotiated rate will be subject to a cap. It is further agreed that Transporter may seek authorization at any time and from time to time to change the rate cap or other provisions in the Tariff, and Transporter will have the right to place such authorized changes in effect. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and any applicable order.

ARTICLE II: TERM OF AGREEMENT

This Agreement shall become effective beginning _____:
and this Agreement shall terminate on _____:

ARTICLE III: CONTRACT QUANTITIES

Stated in Exhibit I.

ARTICLE IV: RECEIPT AND DELIVERY POINTS

Stated in Exhibit I.

(Continued on Sheet No. 29a)

ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN

EFFECTIVE:
ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801

(Continued from Sheet No. 29)

**SECTION 29
FORM OF FIRM GAS STORAGE SERVICE AGREEMENT**

ARTICLE V: INCORPORATION BY REFERENCE

The provisions of Transporter's Tariff are specifically incorporated herein by reference and made a part hereof.

ARTICLE VI: NOTICES

All notices can be given by telephone or other electronic means. However, such notices shall be confirmed in writing at the addresses below. Shipper and Transporter may change the addresses below by written notice to the other without the necessity of amending this Agreement.

TRANSPORTER:

SOUTH ROMEO GAS STORAGE COMPANY
2000 Second Avenue
2005 WCB
Detroit, Michigan 48226-3405
Attention: Vice President, South Romeo Gas Storage Company
Telephone: _____
Fax: _____

SHIPPER:

Address

Address 2

City, State, Zip

Telephone

Fax

INVOICES AND STATEMENTS _____

NOMINATIONS _____

ALL OTHER MATTERS _____

(Continued on Sheet No. 29b)

**ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN**

**EFFECTIVE:

ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801**

(Continued from Sheet No. 29a)

**SECTION 29
FORM OF FIRM GAS STORAGE SERVICE AGREEMENT**

ARTICLE VII: FURTHER AGREEMENT

Specify, or write None _____

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and Representatives there unto duly authorized to be effective as of the date stated above.

SHIPPER: _____

By: _____
Name: _____
Title: _____
Date: _____

TRANSPORTER: SOUTH ROMEO GAS STORAGE COMPANY

By: _____
Name: _____
Title: _____
Date: _____

(Continued on Sheet No. 29c)

**ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN**

**EFFECTIVE:
ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801**

(Continued from Sheet No. 29b)

**SECTION 29
 FORM OF FIRM GAS STORAGE SERVICE AGREEMENT**

EXHIBIT I

Rates:

Monthly Deliverability Rate: \$ _____ per Dth.
 Monthly Capacity Rate: \$ _____ per Dth.
 Injection Rate: \$ _____ per Dth.
 Withdrawal Rate: \$ _____ per Dth.
 Authorized Overrun Service Usage Rate: \$ _____ per Dth.

Service Parameters:

Maximum Storage Quantity (MSQ): _____ Dth.
 Maximum Daily Injection Quantity (MDIQ):

Month and/ or % of MSQ	Maximum Daily Injection Quantity

Maximum Daily Withdrawal Quantity (MDWQ):

Month and/ or % of MSQ	Maximum Daily Withdrawal Quantity

Receipt Point(s): _____

Delivery Point(s): _____

**ISSUED
 JERRY NORCIA
 VICE PRESIDENT
 SOUTH ROMEO GAS STORAGE COMPANY
 DETROIT, MICHIGAN**

**EFFECTIVE:
 ISSUED UNDER AUTHORITY OF
 THE MICHIGAN PUBLIC SERVICE COMMISSION
 ORDER DATED
 IN CASE NO. U-14801**

**SECTION 30
FORM OF INTERRUPTIBLE GAS STORAGE SERVICE AGREEMENT**

This Interruptible Gas Storage Agreement ("Agreement") is made and entered into as of the ____ day of _____, _____, by and between South Romeo Gas Storage Company, a Michigan company ("Transporter"), and _____ ("Shipper").

INTRODUCTION

The parties agree that Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective Tariff and the General Terms and Conditions ("GT&C") contained therein on file with the Michigan Public Service Commission ("Commission"), as they may be amended or superseded from time to time in accordance with the Commission's rules and regulations.

ARTICLE I: RATES

The rate to be paid by Shipper to Transporter for the interruptible storage service provided hereunder shall consist of a rate negotiated between Transporter and Shipper and specified in Exhibit I below, and a fuel component as posted on Transporter's EBB. The negotiated rate will be subject to a cap. It is further agreed that Transporter may seek authorization at any time and from time to time to change the rate cap or other provisions in the Tariff, and Transporter will have the right to place such authorized changes in effect. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and any applicable order.

ARTICLE II: TERM OF AGREEMENT

This Agreement shall become effective beginning _____ for an initial term of _____ and shall continue in effect from Month to Month thereafter unless terminated by either Transporter or Shipper upon thirty (30) Days prior written notice to the other at the end of the initial term or any Month to Month extension of such initial term.

ARTICLE III: CONTRACT QUANTITIES

Stated in Exhibit I:

ARTICLE IV: RECEIPT AND DELIVERY POINTS

Stated in Exhibit I:

(Continued on Sheet No. 30a)

ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN

EFFECTIVE:
ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801

(Continued from Sheet No. 30)

**SECTION 30
FORM OF INTERRUPTIBLE GAS STORAGE SERVICE AGREEMENT**

ARTICLE V: INCORPORATION BY REFERENCE

The provisions of Transporter's Tariff are specifically incorporated herein by reference and made a part hereof.

ARTICLE VI: NOTICES

All notices can be given by telephone or other electronic means. However, such notices shall be confirmed in writing at the addresses below. Shipper and Transporter may change the addresses below by written notice to the other without the necessity of amending this Agreement.

TRANSPORTER:

SOUTH ROMEO GAS STORAGE COMPANY
2000 Second Avenue
2005 WCB
Detroit, Michigan 48226-3405
Attention: Vice President, South Romeo Gas Storage Company
Telephone: _____
Fax: _____

SHIPPER:

Address

Address 2

City, State, Zip

Telephone

Fax

INVOICES AND STATEMENTS _____

NOMINATIONS _____

ALL OTHER MATTERS _____

ARTICLE VII: FURTHER AGREEMENT

Specify, or write None _____

(Continued on Sheet No. 30b)

**ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN**

**EFFECTIVE:

ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801**

(Continued from Sheet No. 30a)

SECTION 30
FORM OF INTERRUPTIBLE GAS STORAGE SERVICE AGREEMENT

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and Representatives there unto duly authorized to be effective as of the date stated above.

SHIPPER: _____

By: _____

Name: _____

Title: _____

Date: _____

TRANSPORTER: SOUTH ROMEO GAS STORAGE COMPANY

By: _____

Name: _____

Title: _____

Date: _____

(Continued on Sheet No. 30c)

ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN

EFFECTIVE:
ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801

**SECTION 31
FORM OF GAS PARKING AND LOANING SERVICE AGREEMENT**

This Gas Parking and Loaning Agreement ("Agreement") is made and entered into as of the _____ day of _____, _____, by and between South Romeo Gas Storage Company, a Michigan company ("Transporter"), and _____ ("Shipper").

INTRODUCTION

The parties agree that Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective Tariff and the General Terms and Conditions ("GT&C") contained therein on file with the Michigan Public Service Commission ("Commission"), as they may be amended or superseded from time to time in accordance with the Commission's rules and regulations.

ARTICLE I: TYPE OF PALS SERVICE

_____ Firm _____ Interruptible.

ARTICLE II: RATES

The rate to be paid by Shipper to Transporter for the Gas Parking and Loaning service provided hereunder shall consist of a rate negotiated between Transporter and Shipper and specified in Exhibit I below. The negotiated rate will be subject to a cap. It is further agreed that Transporter may seek authorization at any time and from time to time to change the rate cap or other provisions in the Tariff, and Transporter will have the right to place such authorized changes in effect. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and any applicable order.

ARTICLE III: TERM OF AGREEMENT

This Agreement shall become effective beginning _____ for an initial term of _____ and shall continue in effect from Month to Month thereafter unless terminated by either Transporter or Shipper upon thirty (30) Days prior written notice to the other at the end of the initial term or any Month to Month extension of such initial term.

ARTICLE IV: CONTRACT QUANTITIES

Stated in Exhibit I.

ARTICLE V: RECEIPT AND DELIVERY POINTS

Stated in Exhibit I.

(Continued on Sheet No. 31a)

ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN

EFFECTIVE:

ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801

(Continued from Sheet No. 31)

**SECTION 31
FORM OF GAS PARKING AND LOANING SERVICE AGREEMENT**

ARTICLE VI: INCORPORATION BY REFERENCE

The provisions of Transporter's Tariff are specifically incorporated herein by reference and made a part hereof.

ARTICLE VII: NOTICES

All notices can be given by telephone or other electronic means. However, such notices shall be confirmed in writing at the addresses below. Shipper and Transporter may change the addresses below by written notice to the other without the necessity of amending this Agreement.

TRANSPORTER:

SOUTH ROMEO GAS STORAGE COMPANY
2000 Second Avenue
2005 WCB
Detroit, Michigan 48226-3405
Attention: Vice President, South Romeo Gas Storage Company
Telephone: _____
Fax: _____

SHIPPER:

Address

Address 2

City, State, Zip

Telephone

Fax

INVOICES AND STATEMENTS _____

NOMINATIONS _____

ALL OTHER MATTERS _____

ARTICLE VIII: FURTHER AGREEMENT

Specify, or write None _____

(Continued on Sheet No. 37b)

**ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN**

**EFFECTIVE:

ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801**

(Continued from Sheet No. 31a)

**SECTION 31
FORM OF GAS PARKING AND LOANING SERVICE AGREEMENT**

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and Representatives there unto duly authorized to be effective as of the date stated above.

SHIPPER: _____
By: _____
Name: _____
Title: _____
Date: _____

TRANSPORTER: SOUTH ROMEO GAS STORAGE COMPANY
By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT I

Rates:

Usage Deliverability Rate: \$ _____ per Dth.
Injection Rate: \$ _____ per Dth.
Withdrawal Rate: \$ _____ per Dth.

Service Parameters:

Maximum Park/Loan Quantity: _____ Dth.
Maximum Daily Injection Quantity (MDIQ): _____ Dth per Day.
Maximum Daily Withdrawal Quantity (MDWQ): _____ Dth per Day.

Receipt Point(s): _____
Delivery Point(s): _____

**ISSUED
JERRY NORCIA
VICE PRESIDENT
SOUTH ROMEO GAS STORAGE COMPANY
DETROIT, MICHIGAN**

**EFFECTIVE:
ISSUED UNDER AUTHORITY OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
ORDER DATED
IN CASE NO. U-14801**

P R O O F O F S E R V I C E

STATE OF MICHIGAN)

Case No. U-14801

|

County of Ingham)

E. David Lechler being duly sworn, deposes and says that on April 25th 2006, A.D. she served a copy of the attached Commission order by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.

E. David Lechler

Subscribed and sworn to before me
this 25th day of April 2006

Gloria Pearl Jones
Notary Public, Eaton County, MI
Acting in Ingham County, MI
My Commission Expires June 5, 2007

SERVICE LIST FOR DOCKET # U – 14801 CASE #

DATE OF PREPARATION: 04/25/2006

SOUTH ROMEO GAS STORAGE CORPORATION
2211 EAST JEFFERSON, SUITE 680
DETROIT MI 48207

MR. RICHARD P. MIDDLETON
MICHIGAN CONSOLIDATED GAS
COMPANY
REGULATORY AFFAIRS DIVISION
2000 SECOND AVENUE
DETROIT MI 48226

ALL GAS ORDERS
(Subscription List)

MR. LARRY LEWIS
GENERAL SERVICES ADMINISTRATION
670 MORRISON RD. ROOM 209
COLUMBUS OH 43230

MR. MICHAEL BYRNE
SENATE DEMOCRATIC STAFF
ROMNEY BUILDING
LANSING MI **ID MAIL**

MR. JOHN PESTLE
VARNUM, RIDDERING, SCHMIDT &
HOWLETT
BRIDGEWATER PLACE
P.O. BOX 352
GRAND RAPIDS MI 49501-0352